GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3139
ANSWERED ON:05.12.2016
Oil and Gas Exploration
Hemamalini Smt.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to give a fillip to oil and gas exploration in the country through a transparent policy that aims to provide energy to end users at affordable prices;
(b) if so, the details thereof;
(c) whether the Government proposes to incorporate elements from the United States of America experience in drawing up country''s oil and gas exploration policy; and
(d) if so, the details thereof?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a) & (b): Government of India has launched a new exploration and licensing regime to boost oil and gas exploration in the country. The salient features of new Hydrocarbon Exploration Licensing Policy (HELP) can be brought out as under:
? Single license for conventional and non-conventional hydrocarbons
? Open Acreage Licensing Policy
? Revenue Sharing Contract
? Graded royalty rates for offshore area
? The contractor will be free to sell the crude oil exclusively in domestic market through transparent bidding process on arms length basis.
? The contractor will have freedom for pricing and marketing of gas produced from these blocks on arms length basis.
? There is no levy of Cess on crude oil.
Besides these, even for existing contractual regime Government has taken several steps for easing out rigidities and enhancing E&P activities in the country such as Policy for Relaxations, Extensions and Clarifications under Production Sharing Contract (PSC) regime for early Monetization of hydrocarbon Discoveries, Policy on Testing Requirements, Discovered Small Field Policy, Gas Pricing Policy, Policy for Marketing Freedom for Gas Production from Difficult Areas etc.
(c) & (d) : Government of India reviews its policies considering the requirements of the oil and gas sector in the country and brings out its policies to take care of industry's needs. While bringing out policies, deliberations are made on various aspects of the proposed policy and relevant international experiences from various countries are also considered along with several other factors. While formulating and finalizing HELP stakeholder consultation was also carried out.
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